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SUBJECT: GUATEMALA FY2010 SCORECARD DELIVERED

REF: A) 2009 STATE 108510

¶1. (U) On October 28, USAID Mission Director and Emboffs delivered the Millennium Challenge Corporation (MCC) FY 2010 Scorecard for Guatemala to Vice President Jos???? Rafael Espada. Overall, VP Espada was pleased with Guatemala's progress on the indicators, contrasting them with the deteriorating trends of the FY09 indicators. He expressed his interest in working with the USG to make further improvements in order to eventually qualify for MCC funds. He expressed surprise that Guatemala had improved significantly in Political Rights but said that he had hoped to see more improvement in the Control of Corruption indicator. USAID Director stated that as USAID Mission Guatemala engages in its planning process they are looking to work in areas that could help to bolster Guatemala's performance on the MCC indicators. VP Espada's Chief of Staff, Rose Baglia, said that she would like to establish a group to look at the Indicators more in depth and develop some policy proposals with Embassy and USAID collaboration. The meeting ended with an agreement to discuss these issues further. A meeting has now been scheduled to do so on November 17th.

¶2. (SBU) Comment: The Colom Administration has shown intermittent commitment to qualifying for MCC funds. However, growing support from civil society and the private sector for reform in several of the Ruling Justly Indicator areas, (particularly Control of Corruption, Government Effectiveness and Rule of Law) offers the possibility of creating a more forceful constituency in support of reform. Although the Colom Administration has increased funding for social programs relevant to the MCC indicators, the effects of the global economic crisis on tax revenues and the overall low level of tax collection (9.9% of GDP) will make it difficult for the GoG to improve scores in health and education to the levels necessary for MCC funding.
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